



Heather Shannon  
Division of Integrated Regional Water Management  
DWR  
P.O. Box 942836  
Sacramento, CA 94326-0001

Dear Ms. Shannon,

RE: Draft Proposal Solicitation Package for Groundwater Sustainability Plans and Projects

Stanislaus County appreciates the opportunity to provide comments on the recently circulated draft Proposal Solicitation Package, as attached.

We appreciate the time and effort DWR has put into preparing the proposal solicitation process to assist Groundwater Sustainability Agencies (GSAs) in developing Groundwater Sustainability Plans (GSPs) and complying with the Sustainable Groundwater Management Act (SGMA). Stanislaus County is a partner in five separate GSAs geographically spread the four groundwater basins that underlie the county. We urge that the process be set up in such a way that all High and Medium priority basins, regardless of their status of "critical overdraft," are able to secure the funding assistance that they need to prepare and complete their respective GSPs.

Please contact me directly if you have any questions or concerns. My direct dial phone number is 209-525-6710 and my email address is: [wward@envres.org](mailto:wward@envres.org).

Thank you.

Sincerely,

Walter P. Ward  
Water Resources Manager

**Stanislaus County Comments on Sustainable Groundwater Planning Grant Program, Proposal Solicitation Package For Groundwater Sustainability Plans and Projects (June 19, 2017)**

PSP Page Number and Section Reference	Comment
General Comment	Preparing Groundwater Sustainability Plans (GSPs) will entail a substantial expenditure for most Groundwater Sustainability Agencies (GSAs). Considering that there are 127 medium and high priority basins for which GSPs will be required, the total bond funding available for this purpose seems insufficient to promote this important new cornerstone of water management in the state. We urge the Department to consider making additional funding available to help communities develop effective management strategies.
General Comment	Although it is not stated in the Grant Guidelines, the draft Proposal Solicitation Package (PSP) or the Sample Grant Agreement, we understand that the Department intends to require 10 % retention of grant distributions until the GSPs, which are the final deliverable under the grant projects, are approved by the Department. Approval of GSPs could take up to two years after submittal, meaning that full reimbursement of approved expenses may not occur until two to five years after the work is completed. Such a delay is unprecedented in state grant programs, would present a substantial hardship for many communities, and would be difficult for agencies required to operate on an annual budgeting basis. Since Article XX of the Sample Grant Agreement would allow the state to recover funds from agencies that submit deficient GSPs, we recommend that any retention be released after submittal of a satisfactory Final Grant Report acceptable to the Department, rather than after approval of the GSP.
Page 6, Introduction,	Cooperation between GSAs and other regional agencies is critical to facilitation of effective regional groundwater management strategies, and to cost-effective use of grant funds for GSP development. We recommend that a statement be added in the Introduction encouraging regional cooperation and collaboration.
Page 6, Section II. Funding, Table 1, Funding Information for 2017 SGWP Grant Solicitation	<p>There are 127 medium and high priority basins in California, including 21 that are designated as critically overdrafted. Although we agree that critically overdrafted basins may face sustainability issues that are more difficult to address than non-critically overdrafted basins of the same size and complexity, we believe that overall basin complexity, and not the overdraft state, is the primary factor that determines the cost of preparing a GSP. Basin complexity is based on a number of factors, including size, surface water hydrology and supply availability, extent of groundwater-connected surface water and ecosystems, number and service obligations of municipal and agricultural users, water quality issues, hydrogeology, and overdraft state. Because overdraft state is only one, and not necessarily the primary, factor contributing to GSP cost, we strongly believe that all basins should be subject to the same funding limitations and that the amount of funding provided be decided based on demonstrated need and merit. We recommend a cap of \$1 million for all basins, whether or not they are in a state of critical overdraft. We also recommend that the total combined grant ceiling for critically overdrafted basins be reduced to \$20 million to make additional funds available for the over 100 additional medium and high priority basins for which GSPs must also be developed.</p> <p>Please confirm that the funding cap when Category 1 projects are included in Category 2 grant applications will be the cap for Category 1 plus the cap for Category 2.</p>



PSP Page Number and Section Reference	Comment
Page 7, Section A. Cost Share	In many areas, meaningful work in preparation of GSP development began prior to finalization of the GSP regulations on May 18, 2016. We recommend that the date for acceptance of local matching funds for prior work be moved back to November 4, 2014 to be consistent with other Proposition 1 programs, and that requests for acceptance of these expenses as matching funds be evaluated on their merits rather than on a somewhat arbitrary date.
Page 7, Section III.A. Eligible Applicant	We recommend that eligible Category 2 applicants be expanded to include "Joint Powers Authorities representing multiple GSAs." Functionally, such a JPA would operate as a grantee in the same fashion as a GSA, and allowing JPAs to act as grantees would save un-necessary expense and complication.
Page 8, Section III.B Eligible Project Types, 1. Category 1 – SDAC Projects	While the County fully supports the set aside for Category 1 grants to disadvantaged communities in the PSP, we believe it is inappropriate to include "Connect communities on degraded groundwater to municipal supplies" and "Retrofit existing groundwater well system to have water treatment capabilities" as a funding category under this grant program. This would include projects related primarily to water treatment or delivery that are unrelated to groundwater sustainability. Although there is a need for such projects to be funded, the state has designated funds under other existing programs specifically to fund these needs. Funding such projects from the limited funding designated specifically for groundwater sustainability seems inconsistent with the grant program and goals.
Page 9, Section IV. Solicitation Process and Schedule, Table 2 – Schedule for 2017 SGWP Grant Solicitation	We recommend that a two-month lag time be inserted between Phase 1 and Phase 2 of the proposal solicitation. This additional time will allow for regional consultation after Phase 1 funding awards are announced, and will provide a better opportunity for potential applicants to identify and refine concepts for submittal of applications during the second phase.
Pages 14 and 15, Section V.B.2 Attachment Tab Instructions, Attachment 2. Eligibility Documentation	GSAs and JPAs that represent groups of GSAs generally are not responsible to prepare UWMPs or AWMPs, and are not surface water diverters. Member agencies of these GSAs and JPA may or may not receive funding under approved grants. Please clarify under what circumstances grantees must submit verification of compliance with these programs for their member agencies.
Page 16, Section V.B.2 Attachment Tab Instructions, Attachment, Attachment 3. Project Justification, Category 2, Financial Need	Requiring a demonstration how the project will be completed if grant funding is not provided is not required under other Proposition 1 grant programs we are aware of, would be unduly burdensome, and does not seem relevant to the grant evaluation criteria listed in the Grant Program Guidelines and the PSP. We recommend this requirement be deleted.
V.B.2 Attachment Tab Instructions, Attachment, Attachment 4. Work Plan	The "project" to be developed under Category 2 grants is a GSP; however, the work that is the subject of the applications will in many cases only be a portion of work needed to complete the GSP. Rather than discussion all of the work steps needed to prepare a GSP, it seems more appropriate to focus on those work steps for which funding is being requested, and including a section that describes how this work will support the overall preparation of a GSP and fit in with the other necessary tasks.

PSP Page Number and Section Reference	Comment
V.B.2 Attachment Tab Instructions, Attachment, Attachment 5. Budget	The “project” to be developed under Category 2 grants is a GSP; however, the work that is the subject of the applications will in many cases only be a portion of work needed to complete the GSP. It seems more appropriate to provide a detailed budget for this portion of the work only, rather than for the entire multi-year GSP process, for which a refined budget may in some cases not be available until more information has been gathered.
V.B.2 Attachment Tab Instructions, Attachment, Attachment 4. Work Plan	The “project” to be developed under Category 2 grants is a GSP; however, the work that is the subject of the applications will in many cases only be a portion of work needed to complete the GSP. Some agencies may need to refine their schedules for the overall GSP preparation process as information becomes available. It seems more appropriate to provide a detailed schedule and list of deliverables for the portion of the work for which grant funding is being requested only, and a tentative or conceptual schedule for GSP preparation that demonstrates how this work will fit in with and support the overall schedule.